

# CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CALWEST BANCORP

Point of Contact:	NAJAM SAIDUDDIN	RSSD: (For Bank Holding Companies)	318860
UST Sequence Number:	219	Docket Number: (For Thrift Holding Companies)	NOT APPLICABLE
CPP/CDCI Funds Received:	0	FDIC Certificate Number: (For Depository Institutions)	35069
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	NOT APPLICABLE
Date Funded (first funding):	January 23, 2009	City:	IRVINE
Date Repaid <sup>1</sup> :	N/A	State:	California

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Lending has increased

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**X** To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

Small Business Loans and Commercial Real Estate Loans

**X** Increase securities purchased (ABS, MBS, etc.).

GNMA, SBA Securities, and FNMA/FHLB Agencies

**X** Make other investments.

NO

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**X Increase reserves for non-performing assets.**

\$189K increase in loan loss reserve provisions

**X Reduce borrowings.**

Paid down FHLB borrowings and Certificate of Deposits

**X Increase charge-offs.**

Loan charge-off amount in 2011 reduced from prior years

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☒ Purchase another financial institution or purchase assets from another financial institution.

No

☒ Held as non-leveraged increase to total capital.

No

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?  
Maintain capital ratios above 5% for Leverage and 10% for Total Risk Based Capital Ratio, therefore avoided low capital ratios.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

Increase Lending and continue to operate as an independent community Bank.

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**Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.**

Continue to offer loans and deposit products to the Bank's customers